



ENERGY ASSURANCE DAILY

Wednesday, June 07, 2006

Electricity

Update: Allegheny Power Extends 500 kV Transmission Line Outage in West Virginia

The company extended the outage of its Harrison-Belmont transmission line to June 23 from June 17. The line was shut so that Allegheny can repair damage to four towers from a mini tornado on May 26.

http://today.reuters.com/stocks/QuoteCompanyNewsArticle.aspx?view=CN&storyID=2006-06-07T115806Z_01_N07171301_RTRIDST_0_UTILITIES-ALLEGHENY-TRANSMISSION.XML&rpc=66

Energy Northwest to Build 600 MW Fuel-Flexible IGCC Plant in Washington

The integrated gasification combined cycle (IGCC) plant, to be built at the deepwater port of Kalama, will be able to run on a variety of fuels, including Powder River Basin coal, petroleum coke, natural gas, and eventually, on a percentage of biomass. The company hopes to have the plant in operation by 2012

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6766429

Update: TXU Corp.'s Big Brown 575 MW Unit 2 in Texas Shut June 5

The plant shut when its unit tripped due to an electrical ground on the flame scanner on June 5. Repairs to the tube leaks are being made, but no return date is given.

Reuters, 18:11 June 7, 2006.

Update: TXU Corp.'s 545 MW Sandow Coal-Fired Unit 4 in Texas to Restart June 7

Reuters, 18:11 June 7, 2006.

Duke's Oconee Nuke 3 Revamps to Full Power in South Carolina June 7

Reuters, 13:57 June 7, 2006.

Petroleum

Fire Shuts One of Two Iraq Southern Oil Export Terminals

A fire last week shut exports from the Khor al-Amaya (KAA) oil export terminal in the Persian Gulf and officials say that the facility could be closed for months. An electrical problem triggered an explosion on May 26, destroying 70 percent of the terminal. KAA is the smaller of two oil export terminals in the Persian Gulf. Basra, the larger of the two southern export terminals, remains open. KAA can export an estimated 500,000 b/d while Basra can export an estimated 1.5 million b/d. In 2005, Iraq supplied 3.5 percent of U.S. oil imports.

Energy Intelligence Briefing, June 6, 2006

<http://www.eia.doe.gov/emeu/cabs/Iraq/Oil.html>

Militants Vow to Destroy Critical Oil Assets in Nigeria

In a statement following an attack on a Shell gas plant in Nigeria [See story in Natural Gas], the Movement for the Emancipation of the Niger Delta [MEND] issued a statement that included the following threat: "In the next few weeks our attacks will increase (in) frequency with the destruction of several facilities of crucial importance to the oil industry," MEND also advised foreign oil workers to leave the country. Nigeria supplied 8 percent of total U.S. oil imports in 2005.

http://www.swissinfo.org/eng/international/ticker/detail/Nigerian_militants_abduct_Koreans_in_gas_plant_raid.html?siteSect=143&sid=6787870&cKey=1149694835000

Reuters, 02:13 June 7, 2006.

BHP Billiton Receives Approval for Oil, Gas Field Development in Gulf of Mexico

BHP Billiton has received approval to develop its Shenzi oil and gas field in the deepwater Gulf of Mexico, which will produce up to 100,000 b/d of oil and 50 MMcf/d of gas. The first oil is expected by mid-year 2009. Reuters, 12:43 June 7, 2006.

Natural Gas

British Columbia Approves 600 MMcf/d Kitimat LNG Terminal

The facility, to be built at Bish Cove in British Columbia, was granted a construction and operations certificate but federal environmental approval is still required. Kitimat LNG, the company building the terminal, plans to build a pipeline connecting the facility to U.S. markets. The company hopes to have the LNG terminal in operation by early 2009.

http://ca.today.reuters.com/news/newsArticle.aspx?type=businessNews&storyID=2006-06-06T172706Z_01_N06399538_RTRIDST_0_BUSINESS-ENERGY-CANADA-LNG-COL.XML&archived=False

WestPac Unveils Proposal for 130 MMcf/d LNG Terminal in British Columbia

If approved, the facility in Prince Rupert, British Columbia, would begin operations in 2011.

http://ca.today.reuters.com/news/newsArticle.aspx?type=businessNews&storyID=2006-06-06T172706Z_01_N06399538_RTRIDST_0_BUSINESS-ENERGY-CANADA-LNG-COL.XML&archived=False

Mexico Approves Construction of U.S.-Mexico Gas Pipeline

Tidelands Oil & Gas Corp. has received permission from the Comision Reguladora de Energia de Mexico to start building bi-directional pipelines for its Burgos Hub Export/Import Project. Although, the pipelines are intended to allow Mexico to import U.S. natural gas, Tidelands is working on opportunities for Mexican gas to be exported to the U.S. Other components of the project include building an underground natural gas storage facility, an offshore LNG regasification terminal and additional related pipelines. Tidelands is still in the process of filing with FERC to obtain permits for the U.S. portion of the pipelines.

<http://sanantonio.bizjournals.com/sanantonio/stories/2006/06/05/daily11.html>

Militants Attack Shell Gas Facility in Nigeria, Take Five Expatriate Hostages

On June 7, Nigerian militants staged a bloody attack and abducted five South Korean oil workers from a gas plant operated by Royal Dutch Shell in the oil-rich Niger Delta. Shell has shut the plant, which has a capacity of 150 MMcf/d. The Movement for the Emancipation of the Niger Delta (MEND) has taken credit for the attack.

According to MEND, the purpose of the attack was to force the Nigerian government to free two jailed militia leaders. The U.S. received its first shipment of LNG from Nigeria in January.

<http://edition.cnn.com/2006/WORLD/asiapcf/06/07/skorea.kidnappings/>

<http://www.forbes.com/technology/feeds/ap/2006/06/07/ap2798881.html>

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
June 7, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	70.83	70.35	54.10
NATURAL GAS Henry Hub \$/Million Btu	5.82	6.20	7.05

Source: Reuters

U.S. Energy Secretary Urges Americans to Better Manage Energy Use

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6765866

Execs See Many Hurdles to Merchant Transmission Line Development

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6766428

EIA Sees U.S. Oil Demand Growing in 2006 and 2007

Oil Daily, June 7, 2006

Democrats' Survey Alleges Refinery Permitting Not a Major Problem

Oil Daily, June 7, 2006

Update: OPEC Considering Admitting Angola, Ecuador and Sudan to Cartel

<http://www.upi.com/Energy/view.php?StoryID=20060606-030116-8809r>

Iraq Oil Director Says Crude Production Up 15 Percent to 1.95 Million b/d

<http://www.ameinfo.com/88137.html>

Four Iraqi Employees of Northern Oil Company Kidnapped in Kirkuk June 6

Reuters, 11:22 June 7, 2006.

Saudi Arabia Says Crude Production Has Declined Due to Less Demand

<http://www.platts.com/Oil/News/8474775.xml?p=Oil/News&sub=Oil>

<http://www.platts.com/Oil/News/7508137.xml?p=Oil/News&sub=Oil>

Qatar Launches World's First Commercial Scale Gas-to-Liquids Plant

http://today.reuters.com/stocks/QuoteCompanyNewsArticle.aspx?view=CN&storyID=2006-06-06T155315Z_01_L06371592_RTRIDST_0_ENERGY-QATAR-GTL.XML&rpc=66

Kuwait Finds 5 TCF of Gas

http://www.tradearabia.com/tanews/newsdetails_snOGN_article106272.html

Rare Turtle Species Could Block Barrow Island LNG Export Terminal in Australia

<http://www.abc.net.au/news/newsitems/200606/s1656568.htm>

Shutdown of 2,132 MW Indian Point Nuke Would Strain New York Power Supply - Report

<http://www.platts.com/Electric%20Power/News/7509125.xml?p=Electric%20Power/News&sub=Electric%20Power>

Update: Kentucky to Lift Closure Orders at Two Contract Mines after Seal Rebuilt

<http://www.platts.com/Coal/News/7509163.xml?p=Coal/News&sub=Coal>

TVA, Other Agencies Conduct Nuclear Exercise for Watts Bar Nuke June 7

http://www.chattanooga.com/articles/article_87029.asp

BPA's Pacific DC Lines to be Shut for Maintenance over the Weekend Daytime (6 AM – 5 PM)

Reuters, 16:30 June 7, 2006.

Global Shortage in Skilled Labor Threatens Safety in Energy Industry

Reuters, 11:59 June 7, 2006.

Greenspan Warns Signs that High Oil Price Beginning to Affect US Economy

Reuters, 08:59 June 7, 2006.

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

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